

RATIONALE

- VIDEO JUKEBOXES OFFER THE FLEXIBILITY OF ADVERTISING IN SPECIFIC MARKETS AND OUTLET TYPES AND TO SPECIFIC AUDIENCES. → *bar w/ young - majority blue collar male customers.*
- VIDEO JUKEBOXES CAPITALIZE ON A POPULAR NEW FORM OF ENTERTAINMENT AMONG YOUNG PEOPLE IN A SOCIAL ENVIRONMENT.

- VIDEO JUKEBOXES OFFER: ~~A UNIQUE AND IMPACTFUL FORM OF ADVERTISING ESPECIALLY FOR XG BECAUSE:~~

- ~~OFFERS~~ SIGHT, SOUND AND MOTION
- SUPPORTS <sup>of</sup> THE OOH AND TARGETED MAGAZINE ADVERTISING <sup>EXTENSION</sup>
- ~~CAN EXTEND~~ OUR MESSAGE IN AN IMPACTFUL AND UNIQUE MANNER
- ~~OFFERS~~ EXCLUSIVITY IN THE TOBACCO CATEGORY

- VIDEO JUKEBOXES OFFER POINT-OF-SALE DISPLAYS WHICH CAN TIE-IN WITH PROMOTIONS/SAMPLINGS.

- VIDEO JUKEBOXES OFFER AN EFFICIENT MEDIA BUY AS COMPARED WITH OTHER XG VEHICLES.

	<u>TARGET CPM (ADULTS 18-24)</u>
VIDEO JUKEBOX	12.90
XG MAGAZINES	17.03

OTHER OPPORTUNITIES

- MEDIA IS INVESTIGATING SPECIAL OPPORTUNITIES TO BE USED DURING THE TEST PERIOD.
- WE HAVE RECOMMENDED THE USE OF VIDEO ADVERTISING DURING ~~THE~~ <sup>the XG</sup> YEAR I PLAN AND ARE CONSIDERING TESTING THIS CONCEPT IN THE SEATTLE TEST MARKET.
- ROWE INTERNATIONAL'S VIDEO JUKEBOXES OFFER ~~A~~ <sup>UP TO</sup> 10, 30, AND 60-SECOND ADVERTISING UNITS DURING ~~ITS~~ <sup>THEIR</sup> 40 VIDEOS. THERE IS AD AVAILABILITY FOR ONE COMPANY PER JUKEBOX WITH THE ABILITY TO CARRY MULTIBRAND ADVERTISING.

- show picture

IMPRESSIONS DELIVERY

- IMPRESSIONS DELIVERED IN THE TEST AREAS ARE COMPARABLE TO NATIONAL PLAN LEVELS PLUS 14% TO ALLOW FOR COVER POSITIONS WE CANNOT USE DUE TO MECHANICAL CONSIDERATIONS.
- FILL-IN ACTIVITY WILL BE ADDED TO THE TEST PLAN BY OTHER NATIONAL MAGAZINES AND ALTERNATIVE WEEKLIES TO ACCOUNT FOR LOST IMPRESSIONS.

→ (14%) Based on recall increase that is associated with back and 2nd covers supplied by MDD and was applied to the proportion of cover positions XG would have during the 6-month period.

OUT-OF-HOME

● OUT-OF-HOME IS ALSO BASED ON THE FIRST SIX MONTHS OF ACTIVITY IN THE YEAR I

PLAN.

● REGULAR OOH IS SCHEDULED FOR THREE CYCLES IN ALL OF THE TEST AREAS:

JULY/AUGUST; AUGUST/SEPTEMBER; AND NOVEMBER/DECEMBER.

● STRATEGIC CONTINUITY OOH IS SCHEDULED FOR ALL OF THE TEST AREAS DURING THE

ENTIRE SIX MONTH TEST PERIOD. - As opposed to only top 30 divisions  
in the national plan



Treat all 6 as comparable  
to top 30

PROJECT XG 1986 TEST TRANSLATION

MAGAZINE LIST

- PLAYBOY
- PENTHOUSE
- CAR CRAFT
- CAR & DRIVER
- CIRCLE TRACK
- CYCLE
- CYCLE GUIDE
- CYCLE WORLD
- DIRT RIDER
- 4-WHEEL & OFF ROAD
- GAMES
- GQ
- INSIDE SPORTS
- HOT ROD
- MOTORCYCLIST
- MOTOR TREND
- NATIONAL LAMPOON
- OMNI
- POPULAR HOT RODDING
- ROAD & TRACK
- ROCKBILL
- SPORT
- SPIN
- HEAVY METAL
- COSMOPOLITAN
- GLAMOUR
- MADEMOISELLE
- SELF
- VOGUE
- ROLLING STONE
- US

DELETED MAGAZINES

- RECORD
- BAM NETWORK
- CREEM
- MUSICIAN
- ROCK
- A.N.A.F. TIMES
- SOAP OPERA DIGEST

Smaller  
 5 special  
 11 pages

out of business

MAGAZINES

- INSERTIONS ARE SCHEDULE<sup>d</sup> TO CUTOVER OTHER BRANDS' NATIONAL PAGES AND SPREADS IN THE TEST AREAS.
- THE TEST PLAN IS SCHEDULED TO USE THE SAME MAGAZINES AND NUMBER OF INSERTIONS AS IN THE FIRST SIX MONTHS OF THE YEAR I PLAN.
- HOWEVER, THERE ARE SOME MAGAZINES THAT CANNOT ACCOMMODATE CUTOVERS OR THERE ARE SOME CASES WHERE SPACE IS SCHEDULED FOR XG AND NO ACTIVITY IS PLANNED BY ANOTHER RJR BRAND. - Lost those insertions

TEST TRANSLATION

- THE XG TEST MARKET PLAN IS DESIGNED TO REPLICATE THE YEAR I PLAN IN THE FOLLOWING TEST AREAS:

CELL I (FF SOFT PACK & FF BOX)

ATLANTA  
HOUSTON  
SYRACUSE

CELL II (FF AND FFLT SOFT PACK)

SEATTLE  
PITTSBURGH  
SAN DIEGO

TIMING

- THE TEST PLAN IS SCHEDULED FOR A SIX-MONTH PERIOD FROM JULY 1986 - DECEMBER 1986.
- PRINT IS SCHEDULED TO BEGIN WITH JULY WEEKLY AND AUGUST MONTHLY INSERTIONS.
- OUT-OF-HOME IS SCHEDULED TO BEGIN IN JULY.

OTHER CONSIDERATIONS

- EVALUATING ALTERNATIVE WEEKLIES FOR USE ON A LOCAL BASIS IN HIGHER PRIORITY MARKETS.

- INVESTIGATING NEW PUBLICATIONS ON AN ON-GOING BASIS FOR POSSIBLE USE BY XG.

Ex. Spin (music mag.) corporately approved - added to the list  
WORKING CLOSELY WITH OOH SUPPLIERS TO IDENTIFY UNIQUE CONCEPTS AND IDEAS.

- FOR strategic continuity OOH - meeting tom. to discuss Fiberoptics  
IDENTIFY, ON AN ON-GOING BASIS, SPECIAL EDITORIAL OPPORTUNITIES WITHIN OUR EXISTING PUBLICATION LIST TO GENERATE FURTHER INTEREST AND EXCITEMENT TO THE TARGET.

Ex. Rolling Stone is offering <sup>several</sup> special ad supplement beginning this yr. within the magazine that can be sponsored by advertisers.

- Show Dummy



# 1987

PROJECT XG

ALL MEDIA



RJ Reynolds Tobacco Company  
Media Department

5C540 6122

Date: JANUARY 15, 1986

Revised:

Exhibit:

Page: 1 OF 1

—WEEK OF MONDAY—

	#INS.	1986												JAN. 1988																																			
		JAN.	FEB.	MAR.	APR.	MAY	JUNE	JULY	AUG.	SEPT.	OCT.	NOV.	DEC.																																				
<u>MAGAZINES</u>																																																	
MALE MONTHLIES	10	5	12	19	26	2	9	16	23	30	6	13	20	27	1	8	15	22	29	6	13	20	27	3	10	17	24	31	7	14	21	28	5	12	19	26	2	9	16	23	30	7	14	21	28	4	11	18	25
FEMALE MONTHLIES	8	Over 12 month period																																															
WEEKLIES	18	Over 12 month period																																															
<u>OUT-OF-HOME</u>		2 cons. cycles - intro																																															
NATIONAL		1 cycle per QTR - sustaining																																															
(111 DIVS., 100% U.S. POP.)		2 cons. cycles - intro																																															
STRATEGIC CONTINUITY		1 cycle per QTR - sustaining																																															
(30 DIVS., 36.76% U.S. POP.)		1 cycle per QTR - sustaining																																															
Metro areas of top 30 divisions for 12 months		1 cycle per QTR - sustaining																																															

JANUARY 15, 1986

1987  
PROJECT XG  
QUARTERLY FINANCIAL SUMMARY  
 (NET \$MM)

	<u>1ST QTR</u>	<u>2ND QTR</u>	<u>3RD QTR</u>	<u>4TH QTR</u>	<u>TOTAL</u>	<u>%</u>
MAGAZINES	3.2	1.6	1.7	1.3	7.8	16
OUT-OF-HOME	15.0	8.4	8.4	8.4	40.2	84
TOTAL NET	18.2	10.0	10.1	9.7	48.0	100

bulk  
IN  
OOH  
includes  
continuity

38

Little heavier  
during  
intro

21      21      20      100

Level during  
sustaining  
period

KEY STRATEGIES

- GENERATE A STRONG NATIONAL BASE OF SUPPORT THROUGH THE USE OF CORPORATE OUT-OF-HOME.
- SECONDARILY, UTILIZE HIGHLY TARGETED LIFESTYLE MAGAZINES TO CREATE INCREASED LEVELS OF INTEREST AMONG THE TARGET.
- EMPHASIZE FREQUENCY IN ALL MEDIA TO BUILD LONG-TERM TOP-OF-MIND PRESENCE.
- DEVELOP A SENSE OF EXCITEMENT AND FASCINATION BY UTILIZING UNUSUAL FORMATS WITHIN ALL MEDIA.

*we want to brief review Open to create of X & Media Plan.*

KEY OBJECTIVES

- DEVELOP MEDIA PROGRAMS TO EFFECTIVELY REACH THE PRIMARY TARGET:

ADULTS 18-24  
HIGH SCHOOL OR LESS  
BLUE COLLAR/OPEN COLLAR  
65% MALE/35% FEMALE

- CREATE AWARENESS AND LONG-TERM TOP-OF-MIND PRESENCE AMONG MALE AND FEMALE TARGET SMOKERS.
- PROVIDE HEAVY NATIONAL BASE OF SUPPORT FOCUSED AGAINST OUR PRIME PROSPECT WITH ADDITIONAL WEIGHT IN KEY COMPETITIVE MARKETS.

MARKET RANKING:

- BASED ON MARLBORO'S BDI WEIGHTED 55% MARLBORO BOX AND 45% MARLBORO SOFT PACK. THIS WEIGHTING CORRESPONDS TO MARLBORO'S DEVELOPMENT AMONG 18-24 YEAR OLD SMOKERS.
- CREATE AN AIR OF EXCITEMENT WHICH WILL ENHANCE ACCEPTANCE OF THE XG PROPOSITION.
- UTILIZE RELEVANT AND CONTEMPORARY IMAGERY AND MARKETING ELEMENTS THAT SPECIFICALLY APPEAL TO THE WANTS AND MINDSET OF THE TARGET.

PROJECT XG MEDIA PLAN

AGENDA

● YEAR 1 PLAN

- OBJECTIVES
  - STRATEGIES
- Brilliant review*

- BUDGET SUMMARY
  - FLOWCHART
- Go over budget  
commitment*

- OTHER CONSIDERATIONS
- Look at*

● TEST TRANSLATION

- TIMING
- Look at*

- MAGAZINES
- Go over  
writing*

- OUT-OF-HOME
- don't*

- IMPRESSIONS
- Don't*

- OTHER OPPORTUNITIES
- Look at*

*specifically one we've recommended*